



DEPARTMENT OF THE NAVY
HEADQUARTERS UNITED STATES MARINE CORPS
WASHINGTON, DC 20380-0001

MCO 4200.30A
LB
19 Oct 95

MARINE CORPS ORDER 4200.30A

From: Commandant of the Marine Corps
To: Distribution List

Subj: PROCUREMENT MANAGEMENT REVIEW (PMR) PROGRAM OF THE MARINE
CORPS REGIONAL CONTRACTING SYSTEM (MCRCS) ACTIVITIES

Ref: (a) NAPS 5201.692 (NOTAL)
(b) Federal Acquisition Regulation, par. 1.6
(c) SECNAVINST 4200.25C

Encl: (1) List of Marine Corps Regional Contracting Activities
and Areas of Responsibility
(2) Notification of Procurement Management Review
(3) PMR Format for Major Activities
(4) PMR Format for Limited Activities

1. Purpose. This Order applies to PMR's conducted of, and by, the Marine Corps Regional Contracting System and includes major and limited contracting offices with the exception of the Marine Corps Systems Command and Marine Corps Air Stations. The primary goal is to ensure compliance with Federal, Department of Defense, U.S. Navy, U.S. Marine Corps, and other higher order procurement regulations, provide recommendations where applicable to assist the command in meeting its procurement mission, and to identify systemic problems within the procurement offices.

2. Cancellation. MCO 4200.30.

3. Summary of Revision. This Order contains a substantial number of changes and must be completely reviewed.

4. Scope. This Order is issued pursuant to authority of reference (a) and provides the Marine Corps additional guidance and procedures regarding the PMR program for the Marine Corps activities listed in enclosure (1). Marine Corps activities, other than those listed in enclosure (1), that require purchasing authority shall contact the appropriate Marine Corps Regional Contracting Office.

5. Definitions

a. Procurement. Authorized contracting and purchasing methods for obtaining supplies and services, including renting or leasing and related contract administration functions.

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b. Commands. Activities headed by commanding generals (CG) or commanding officers (CO) of the activities identified in enclosure (1).

c. Head of the Contracting Activity (HCA). The Deputy Chief of Staff for Installations and Logistics (DC/S I&L) has been designated Head of the Contracting Activity (HCA) per reference (b).

6. Background. Reference (c) implements and delegates PMR responsibility to the Marine Corps.

7. Responsibilities. The CMC (L) is responsible for implementing the PMR program for all regional contracting activities identified under enclosure (1) other than the CMC (LB), which will be reviewed by the Office of the Secretary of the Navy. Commands with regional contracting activity responsibilities will conduct PMR's on purchasing activities under their cognizance. The CMC (LB) will conduct PMR's on regional contracting activity commands.

a. At least 60 days prior to a scheduled PMR, the activity to be reviewed shall be advised, in writing, of the date for the review. The notification shall indicate whether the PMR is to be conducted as a part of, or in conjunction with, another review. (See enclosure (2) as an example of a notification letter with checklist of advance data required prior to PMR.)

b. Upon arrival, the team leader shall conduct an entrance briefing with the commander and explain the review procedures and address the major evaluation factors listed below:

(1) Review of the procurement and related files will be conducted, by sampling files over the previous 2 plus current fiscal years. Interviews will be conducted with legal counsel, customers, and contracting and small purchase personnel, as appropriate.

(2) Examination and analysis of the procurement and contract administration areas will be performed. Interviews will be conducted as appropriate with individuals performing contract administration, and other post award functions, interviewing ordering officers and contracting officer's representative (CORS), and sampling related files.

(3) The review shall identify problem areas which impact the integrity and effectiveness of the procurement function and provide recommendations for the commander to improve the function so as to more effectively support mission capability.

(4) Procurement training shall be conducted, as time permits, and as/if requested by the activity.

c. Upon departure, a scheduled exit briefing will be conducted by the PMR team leader to advise the commander on the status of the PMR. During this briefing the command will be advised of their tentative rating. Ratings of PMR reports will be determined by overall contracting effectiveness in both qualitative and quantitative terms. Possible ratings are **SATISFACTORY, MARGINAL, and UNSATISFACTORY.**

d. A tentative rating of satisfactory may be assigned at the time of the review, and the activity may be so advised during the exit briefing. After receiving the final PMR report resulting in a rating of satisfactory the purchasing or contracting activity is required to report to CMC (LBO), and, if applicable, the reviewing regional contracting office, within 6 months regarding the status of each recommendation in the report.

e. The final rating will be made only by DC/S I&L or in the case of a review conducted by the regional office, the commander of the regional activity. However, during the exit brief the activity will be given as many recommendations as possible to permit the mitigation of a Plan of Action and Milestones (POA&M). A recommended rating of marginal or unsatisfactory may be made by the PMR team and provided to the commander upon exit from the activity. The PMR team will provide to the commander at that time as many recommendations as possible to permit the command to remedy problems discovered during the review. A final rating of marginal or unsatisfactory will cause a follow-on PMR team visit within 60 days. Two successive ratings of marginal or unsatisfactory will cause the CMC (LBO) PMR team to visit the affected command within 60 days of the second visit by the regional office command.

8. PMR Team. The PMR team conducting PMR's on regional contracting offices will generally consist of contracting professionals from CMC (LBO), along with selected augmentees and other various experts (Legal Counsel, Small Business, Supply, Computer/Telecommunications, etc). PMR augmentees will generally be funded by CMC (LBO). PMR teams conducting PMR's on behalf of regional contracting offices, will be selected and funded by the office conducting the review.

9. PMR Review Cycles. Each purchasing and contracting activity listed in enclosure (1) will be reviewed in 3-year cycles. Staff assistance visits from CMC (LBO) or the applicable regional office can be requested by the procurement activity during the 3-year cycle and will be provided as agency resources permit.

10. PMR Report Format. All PMR reports for major activities with contracting authority above the small purchase threshold shall follow the format listed in enclosure (3). All PMR

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reports for limited activities with small purchase threshold or less contracting authority shall follow the format listed in enclosure (4).

11. Recommendations. Each PMR report shall contain a Consolidated List of Recommendations under Tab A of the final report.

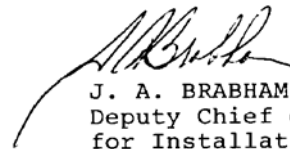
12. Final PMR Reports. PMR reports for major (regional) activities shall be finalized within 60 days after the review. Final PMR reports for limited activities shall be finalized within 30 days after review. Exceptions to the timeframe will be granted only by the Senior Procurement Official at Headquarters, U.S. Marine Corps.

13. Signatory Authority. The DC/S I&L has signatory authority for all PMR reports. Authority to sign PMR reports for limited activities is delegated to the commander of the regional office conducting the review or the ADC/S I&L (Contracts).

14. Commands with regional contracting office responsibilities shall be responsible for conducting PMR's on procurement activities within their area of responsibility.

15. The CMC (LBO) shall receive one copy of each completed PMR report.

16. Reserve Applicability. This Order is applicable to the Marine Corps Reserve.



J. A. BRABHAM
Deputy Chief of Staff
for Installations and Logistics

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LIST OF MARINE CORPS REGIONAL CONTRACTING
ACTIVITIES AND AREAS OF RESPONSIBILITY

<u>Command/Activity</u>	<u>Area of Responsibility</u>
Commandant of the Marine Corps <u>Headquarters, U.S. Marine Corps</u> Contracts Division (LBC) Washington, DC 20380-1775 703-696-1014 DSN 426-1014	(1) National Capital Region (NCR) (This includes 8th & I, Henderson Hall, AR)
Commanding General Marine Corps Recruit Depot/ <u>Western Recruiting Region (MCRD/WRR)</u> Marine Corps Regional Contracting Office San Diego, CA 92140-5398 619-524-4250 DSN None	(1) Marine Corps District Hq's, 8th, 9th, 12th
Commanding General Marine Corps Recruit Depot/ <u>Eastern Recruiting Region (MCRD/ERR)</u> Marine Corps Regional Contracting Office, P.O. Box 5069 Parris Island, SC 29905-5069 803-525-2141 DSN 832-2141	(1) Marine Corps District Hq's, 1st, 4th, 6th
Commanding General <u>Marine Force Reserve (MARFORRES)</u> Marine Corps Regional Contracting Office 4400 Dauphine Street New Orleans, LA 70146-5400 504-948-5529 DSN 363-5529	(1) All Subordinate Reserve Units of MARFORRES (i.e., I&I Reserve Squadrons)
Commanding General Marine Corps Combat Development Command Marine Corps Regional Contracting Office (<u>Northeast Region</u>) 2010 Henderson Road Quantico, VA 22134-5045 703-784-2806 DSN 278-2806	(1) All Marine Corps Units not otherwise identified in the States of VA, PA, MA, WV, NJ, CT, NH, MD, ME, DE, RI, VT

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<u>Command/Activity</u>	<u>Area of Responsibility</u>
Commanding General Marine Corps Base (MCB), Camp Pendleton Marine Corps Regional Contracting Office (<u>Southwest Region</u>) P.O. Box 1609, Oceanside, CA 92054-5000 619-725-3233 DSN 365-3233	(1) All Marine Corps Units not otherwise identified in the States of CA, NM, NV (this includes MCMWTC, Bridgeport)
Commander Marine Corps Logistics Base (MCLB) Marine Corps Regional Contracting Office P.O. Box 110340 Barstow, CA 92311-5039 619-577-6301 DSN 282-6301	
Commanding General Marine Corps Base Camp Lejeune Marine Corps Regional Contracting Office (<u>Southeast Region</u>) PSC Box 20004 Camp Lejeune, NC 28542-0004 910-451-5520 DSN 484-5520	(1) All Marine Corps Units not otherwise identified in the States of NC, FL, GA, SC, AL
Commanding General Marine Corps Logistics Base (Code 89) Marine Corps Regional Contracting Office (<u>Logistics Base</u>) Albany, GA 31704-5000 912-439-6735 DSN 567-6735	(1) Blount Island Command
Commanding General Camp H.M. Smith Marine Corps Regional Contracting Office (<u>Pacific Region</u>) P.O. Box 64131 Camp H.M. Smith, HI 96861-5010 808-477-0559 DSN None	(1) All Marine Corps Units not other- wise identified in State of HI and Pacific Islands

ENCLOSURE (1)

<u>Command/Activity</u>	<u>Area of Responsibility</u>
Commander Camp Elmore Marine Corps Regional Contracting Office (<u>Atlantic Region</u>) Bldg. MCA-614 Norfolk, VA 23515-2596 804-445-6552 DSN 564-6552	(1) Norfolk/Tidewater Basin Area
Commanding General Marine Corps Air-Ground Combat Center Marine Corps Regional Contracting Office (<u>Northwest Region</u>) P.O. Box X24 Twentynine Palms, CA 92278-5010 619-368-5110 DSN 957-5110	(1) All Marine Corps Units not otherwise identi- fied in the States of OR, UT, WA, CO, AK, ID, NE, MT, ND, SD, WY
Commanding General Marine Corps Base, Camp S.D. Butler, Okinawa Marine Corps Regional Contracting Office (<u>Far East Region</u>) PSC 577, Box 2000 FPO, AP 96379-2000 011-81-9889-3-3974	
Commander Marine Corps Support Activity Marine Corps Regional Contracting Office (<u>Midwest Region</u>) 3805 East 155th St., Bldg. #710 Richards-Gebaur Airport Kansas City, MO 64147 816-843-3700 DSN None	(1) Kansas City Metro Area (2) All Marine Corps Units not otherwise identified in the States of IL, MI, IN, KS, OH, MN, IA, WI, MO, LA, TX, KY, TN, OK, MS, AR
Commander Hq FMF Europe (Designate) Marine Corps Regional Contracting Office (<u>European Region</u>) Panzer Kaserne, Bldg. 2901 APO AE 09046-0160 011-44-71-355-525911	

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<u>Command/Activity</u>	<u>Area of Responsibility</u>
Commanding General 1st FSSG Marine Corps Regional Contracting Office Deployed Contracting Camp Pendleton, CA 92055	(1) 1st FSSG (<u>WHEN DEPLOYED ONLY</u>)
Commanding General 2d FSSG Marine Corps Regional Contracting Office Deployed Contracting PSC Box 20120 Camp Lejeune, NC 28542-0128	(2) 2d FSSG (<u>WHEN DEPLOYED ONLY</u>)
Commanding General 3d FSSG Marine Corps Regional Contracting Office Deployed Contracting, 3d FSSG Unit #3880401 FPO AE 96604-8401	(3) 3d FSSG (<u>WHEN DEPLOYED ONLY</u>)

ENCLOSURE (1)

NOTIFICATION OF PROCUREMENT MANAGEMENT REVIEW

4208
LBO

From: Commandant of the Marine Corps
To:

Subj: NOTIFICATION OF PROCUREMENT MANAGEMENT REVIEW

Ref: (a) MCO XXX
(b) SECNAVINST 4200.25C
(c) PHONCON HQMC (LBO) _____/_____
_____ of _____

Encl: (1) List of Advance Data Required for PMR

1. References (a) and (b) require that Procurement Management Reviews (PMR) of purchasing and contracting offices be periodically conducted to ensure that they are operating efficiently and in accordance with Department of the Navy and Marine Corps policy. Such a review of _____
_____ has been scheduled for _____. The dates for the PMR were discussed with the _____ during reference (c).

2. The review will follow the format prescribed in references (a) and (b). It is anticipated that the team will consist of approximately _____ individuals; _____ from the Contracts Division, Installations and Logistics Department, Headquarters, U.S. Marine Corps, one individual from the Office of Counsel for the Commandant of the Marine Corps and one HQMC Small and Disadvantaged Business Utilization Specialist.

3. The contracting/purchasing officer has been requested to coordinate incoming and exit briefings with the Commanding General or Commanding Officer.

4. The enclosure lists data which is required in advance to assist the team in preparing for the PMR. The information required was also discussed in reference (c) and should be sent in time to reach the CMC (LBO) _____.

5. The team leader will be _____ who may be reached at DSN 426-1007/1019 or Coml 703-696-1007/1019.

P. E. ZANFAGNA, JR.
By direction

ENCLOSURE (2)

LIST OF ADVANCE DATA REQUIRED FOR PMR

1. Organization charts showing the higher headquarter's organization channels down to and including the level of the purchasing and contracting organization being reviewed. A copy of the command's mission statement should be included.
2. A statement of the purchasing and contracting organization's mission which should include a description of the items or types of items the organization buys and the activities for which those items are purchased.
3. A listing of purchasing and contracting personnel which should include each person's name, title, military, or civilian service grade, length of time with organization, length in present position, educational level attained, purchasing courses completed, and contracting or purchasing officer authority, as applicable.
4. Copies of local purchasing related instruction, informal implementing procedures, and any locally developed forms currently in use.
5. A record of the following action for present and past 2 fiscal years:
 - a. Number of actions and total dollars for 2 prior years plus current fiscal year.
 - b. Interest payments made for late payments of vendor's invoices.
 - c. Amount of overtime paid to civilians in the purchasing office, and statistics relative to supplemental and/or temporary or part-time employees, military or civilian.
 - d. Number of actions and dollar value of unauthorized commitments ratified.
6. Copies of any inspections/reviews conducted of the purchasing function during the past 3 years (Naval Audit Services, GAO, NIS, IG) should be made available for review by the PMR team upon their arrival.
7. Copies of all statistical management reports generated in the purchasing organization, such as workload, PALT, etc.
8. Projections of any increase/decrease in volume of actions and dollar anticipated for the next 2 fiscal years.
9. A description of any problem areas/functions in which the PMR team might be able to provide assistance.

ENCLOSURE (2)

PMR FORMAT FOR MAJOR ACTIVITIES

The following guidelines are to be used for PMR reports for major activities with contracting authority above the small purchase threshold; additional areas for review may be included, as/if applicable.

Chapter I - Mission and Organization

- A. Mission (Customers, Volume, Types of Contracts, etc.)
- B. Organization (Charts, Organization Manual)
- C. Scope of Review

Chapter II - Policies and Procedures

- A. Local Contracting Policies and Procedures
- B. Reviews, Reports, Processing Procedures
 - (1) Contracting Officer Appointments
 - (2) Contract Review Board
 - (3) Legal Review
 - (4) Reports (DD350, 1057), Preparation, Control
- C. Timely Distribution of Contracts and Modifications
- D. File Documentation

Chapter III - Planning

- A. Contract Plans - Service Contracts
- B. Year-End Spending
- C. Lead-Time Constraints
- D. Adequacy of Contract Requests
 - (1) Required Approvals - Fiscal, Legal, and Technical Screening
 - (2) Specifications/Work Statements
 - (3) Adequacy of Justifications for other than full and open competition or sole source justifications, as dollar amount-warrants.

ENCLOSURE (3)

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- (4) Steps Being Taken to Foster Competition
 - (a) Competition Advocacy Program
 - (b) Rate Achieved vs Goal
- E. Trade Agreements Act Clauses
- F. Quality Control/Inspection, QPL, First Article, Warranty
- G. Value Engineering
- H. Nonpersonal Services Justifications

Chapter IV - Contracting, Solicitation and Selection Procedures

- A. Effectiveness of Sealed Bidding Procedures
- B. Effectiveness of Negotiated Acquisitions
 - (1) Extent of Competition
 - (2) Effectiveness of Price Competition
 - (3) Competitive Range Decisions, Discussions with Offerors, Best and Final Offers
- C. Solicitation Process
 - (1) Source Identification - Mailing Lists and Synopsis Procedures
 - (2) Bid Room Security - Receipt and Safeguarding Bids/Proposals
- D. Determining Contractor Responsibility

Chapter V - Pricing

- A. Organization of Pricing Function - Personnel, Training
- B. RFP Pricing Provisions: Cost Proposal Requirements, PL 87-653 Clauses, CAS Clauses, Service Contract Wage Provisions, etc.
- C. Price Analysis
 - (1) Reasonableness of Prices Paid
 - (2) Pricing Documentation

ENCLOSURE (3)

D. Cost Analysis

- (1) Adequacy of Contractor Cost Proposals
- (2) Technical and Audit Assistance - Field Pricing Assistance Timeliness
- (3) Developing/Documenting Negotiation Objectives:
Pre-Negotiation Clearance Memo: WGL Profit Policy
- (4) Effectiveness of Negotiation Techniques
- (5) Documenting Negotiation Results; PNM; Certificate of Current Cost and Pricing Data; Audit Resolution; Timeliness of Clearance Approvals

E. Type of Contract - Pricing Arrangements: FP/Cost/Incentives/etc

Chapter VI - Post Award Functions

A. Monitoring Progress

- (1) DD 375; Other Progress Reporting
- (2) Adherence to Delivery; Consideration for Delays; Default

B. Government-Furnished Property

C. QA and Inspection, Monitoring First Article Acceptance (Retained Contracts)

D. Value Engineering Change Proposals

E. Contract Closure

F. Claims

G. Administration of Service Contracts

- (1) Ordering Officer and COTR Appointments
- (2) Issuance of Orders, Monitoring Min/Max contract Amounts
- (3) PCO Feedback from Outside Ordering Offices

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(4) Monitoring Contractor Performance/Certification
of Invoices

(5) Monitor Effectiveness of COTR and Ordering
Officer Functions

(6) Service Contract Administration Plans

Chapter VII - Small Purchases

See enclosure (4), chapters III - VIII.

Chapter VIII - Management of Contracting Function

- A. Adequacy of Staffing/Organizational Structure
- B. Qualifications of Personnel (Education, Experience, Training)
- C. Adequacy of Management Information System(s)
- D. Customer Responsiveness/Procurement Administrative Lead Time. Age of work in process
- E. Separation of Functions
- F. Misapplication of Contracting Authority
- G. Facilities
- H. Standards of Conduct; Fraud Safeguards
- I. Proper Use of Contractor Personnel Guidance
- J. Compliance With Previous PMR Recommendations
- K. Systemic Problems - Problems Common to Type Activity; Purchase Methods (BPA's, Imprest Fund, PO's, etc.); Commodity Items.

Chapter IX - Special Interest Items

- A. This Chapter shall vary depending on each review being conducted.
- B. Examples of Special Interest Items are as follows:

ENCLOSURE (3)

- (1) Interagency Acquisition
- (2) Least cost documentation
- (3) FIP (Federal Information Processing) Acquisition
- (4) Control of clause use

NOTE: It should be noted that these are guidelines,
and may vary from report to report.

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PMR FORMAT FOR LIMITED ACTIVITIES

The following **guidelines** are to be used for PMR reports for limited activities with small purchase threshold or less contracting authority.

Chapter I - Mission and Organization

- A. Mission and organization
- B. Assigned contracting authority
- C. Organizational structure of contracting activity

Chapter II - Scope of Review

- A. Preface
- B. Contracting actions
- C. Summary of evaluation of function

Chapter III - Management Support and Control

- A. Management support
 - (1) Correction of prior PMR findings
 - (2) Adequacy of staffing
 - (a) Number of personnel
 - (b) Qualification/experience of personnel
 - (3) Training
 - (a) Career development
 - (b) Training shortfall
 - (c) Adequacy of pricing reasonableness and commodity orientation training
 - (4) Management Information
 - (a) Statistical/management report
 - (b) Management information system
 - (c) Availability of purchase regulations

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(5) Customer Responsiveness

(a) PALT

(b) Customer comments

(c) Age of work in process

B. Management Controls

(1) Adequacy of purchase descriptions

(2) Separation of functions and other safeguards against fraud (e.g., SF44's, IF, and BPA's)

(3) Misapplication of contracting authority; e.g., splitting of orders, buys which cause ratification actions and other circumvention of rules and regulations

(4) Selection of purchase method

Chapter IV - Requirements Discipline

A. Justification for the procurement of centrally managed/stocked items

(1) Screening and documentation requirements

(2) Certifications

(3) Reporting of nonstandard stock/spare parts

B. Use of other mandatory sources (e.g., GSA, FPI, etc.)

C. Compliance with socio-economic program requirements

Chapter V - Pricing Considerations

A. Pricing justification/documentation

B. Reasonableness of prices paid

C. Use/availability of outside pricing assistance

Chapter VI - Competition

A. Adequacy of sole source statement

B. Rate achieved vs. goal

ENCLOSURE (4)

CHAPTER VII - Contracting Administration

- A. Adequacy of Contract Administration Process
 - (1) Preparation of mods
 - (2) Timely definitization of mods/orders
 - (3) Invoice processing
 - (4) Proper delegation to CAS
 - (5) Timely close-out of completed files
 - (6) Tracking (reporting audits, DISAO, etc.)
- B. Adequate Monitoring of Contractor Performance
 - (1) Quality
 - (2) Delivery
 - (3) COTR performance review

Chapter VIII - Procedural Aspects of Small Purchase Methods

- A. Oral Order Documentation
 - (1) BPA Calls
 - (2) Imprest Fund orders
- B. File Maintenance/Organization
- C. Document Preparation
 - (1) Purchase/Delivery Orders
 - (a) Technical aspects
 - (b) Contractual aspects
 - (2) Modifications
 - (a) Technical aspects
 - (b) Contractual aspects

ENCLOSURE (4)

- (3) Blanket Purchase Agreements
 - (a) Separation of functions and other safeguards against fraud
 - (b) Misapplication of contracting authority (e.g., splitting orders, ratifying buys after the fact, and other circumvention of rules and regulations)
- (4) Competition
 - (a) Rate achieved vs goal
 - (b) Adequacy of sole source justifications
 - (c) Command support for competition/adequacy or competitive advocacy program
- (5) Requirements Discipline
- (6) Contract Administration
 - (a) Adequacy of CA process (e.g., timely modification, order/modification definitization, invoice processing)
 - (b) Adequate monitoring of contractor performance (e.g., time of delivery, quality, COTR)
- (7) Special interest items not noted above

Chapter IX - Special Interest Items

- A. This Chapter shall vary depending on each review being conducted
 - (1) Examples of Special Interest Items are as follows:
 - (a) Interagency acquisition
 - (b) Least cost documentation
 - (c) FIP (Federal Information Processing) Acquisition
 - (d) Control of clause use

NOTE: It should be noted that these are guidelines and may vary from report to report.

ENCLOSURE (4)